

Message Text

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71

ACTION PM-07

INFO OCT-01 ARA-11 ADP-00 IGA-02 L-03 CIAE-00 INR-10

NSAE-00 RSC-01 NSC-10 DODE-00 TRSE-00 OMB-01 SSO-00

NSCE-00 INRE-00 RSR-01 /047 W
----- 010174

O 202242 Z JUN 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 7804

LIMITED OFFICIAL USE QUITO 3247

E. O. 11652: N/ A

TAGS: EFIN, EC

SUBJECT: FMS DEBT

1. CHARGE CALLED ON FINANCE MINISTER ENRIQUE SALAS JUNE 14 TO PRESENT LETTER REQUESTING STATEMENT OF GOE' S INTENTIONS ON SERVICING FMS DEBT OUTSTANDING SINCE 1968. FINANCE MINISTER COMMENTED THAT DEBT APPEARED TO BE RESPONSIBILITY OF JUNTA DE DEFENSE NACIONAL, WHICH HAS ITS OWN SEPARATE CONFIDENTIAL BUDGET FOR ARMS PURCHASES. CHARGE EMPHASIZED THAT THIS WAS AN OBLIGATION OF GOE TO USG. SALAS DID NOT DISPUTE THIS POINT BUT EMPHASIZED THAT, LACKING DIRECT CONTROL OVER THIS BUDGET ITEM, HIS MINISTRY COULD NOT RESPOND DIRECTLY TO REQUEST BUT MUST CONSULT WITH MINISTRY OF DEFENSE.

2. FINANCE MINISTER LAMENTED EXISTENCE OF LARGE NUMBER OF RELATIVELY SMALL DEBTS OUTSTANDING TO VARIOUS COUNTRIES WHICH HIS CURRENT TIGHT CASH POSITION MADE IT DIFFICULT TO SERVICE, WHILE AT THE SAME TIME FOREIGN BANKS ARE URGING MULTIMILLION DOLLAR LOANS UPON GOE. HE STATED HE PROPOSED TO CONSOLIDATE OLD DEBTS AND REFINANCE THEM WITH SINGLE NEW FOREIGN BANK LOAN.

3. AS AGREED AT JUNE 14 MEETING, DIRECTOR OF BUDGET TOLD
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EMBOFF JUNE 20 THAT 1968 FMS DEBT WAS CONTRACTED ON BEHALF OF JUNTA DE DEFENSA NACIONAL AND THAT HE HOPED TO HAVE SPECIFIC RECOMMENDATIONS FOR MINISTER'S REPLY SOON.

4. COPY OF CHARGE'S LETTER TO FINANCE MINISTER PROVIDED TO ACTING FOREIGN MINISTER ON JUNE 15 AND, DEPENDING ON REPLY EXPECTED FROM MINISTRY OF FINANCE, COPY WILL ALSO BE PRESENTED TO MINISTRY OF DEFENSE.

5. COMMENT: FINANCE MINISTER SEEMED ENTIRELY WILLING TO ARRANGE FOR FINANCING TO RESUME PAYMENTS ON FMS DEBT AND AT LEAST HAD CLEAR PLAN FOR HOW HE MIGHT ACCOMPLISH THIS. WE WILL FORWARD HIS REPLY TO FORMAL REQUEST AS SOON AS RECEIVED.
CHAPLIN

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973QUITO03247
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730626/aaaajjjw.tel
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Office: ACTION PM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 18 JAN 2002
Review Event:
Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980218
Subject: FMS DEBT
TAGS: EFIN, EC
To: PM
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005